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EXTRAORDINARY

PART II—Section 3—Sub-section (i)
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MINISTRY OF HOME AFFAIRS

ORDER

New Delhi, the 10th February 1959

G.S.R. 200.—In exercise of the powers conferred by sub-section (1) of section 4 of the Inter-State Corporations Act, 1957 (38 of 1957), the Central Government after consulting the Governments of the States of Bombay, Mysore and Rajasthan, approves with certain modifications, the scheme forwarded by the Government of Bombay relating to the reconstitution and reorganisation of the Bombay Village Industries Board, a corporation constituted under the Bombay Village Industries Act, 1954 (Bombay Act XLI of 1954) and functioning in parts of the States of Bombay, Mysore and Rajasthan, and for the purpose of giving effect to the scheme so approved, the Central Government hereby makes the following Order, namely:—

1. **Short title.**—This Order may be called the Bombay Village Industries Board (Reconstitution) Order, 1959.

2. **Definitions.**—In this Order, unless the context otherwise requires,—

- (a) “Abu area” means the Abu Road taluka of Banaskantha district transferred from the former State of Bombay to the new State of Rajasthan;
- (b) “Act” means the Bombay Village Industries Act, 1954 (Bombay Act XLI of 1954);
- (c) “appointed day” means the 15th day of February, 1959;
- (d) “Bombay area” means the territories which immediately before the 1st day of November, 1956, were comprised in the State of Bombay, excluding the Karnatak area and the Abu area;
- (e) “existing Corporation” means the Bombay Village Industries Board constituted under the Act and functioning immediately before the appointed day in those areas of the States of Bombay, Mysore and Rajasthan to which the Act extends;
- (f) “Karnatak area” means the Bijapur, Dharwar and Kanara districts, and the Belgaum district (excluding the Chandgad taluka) transferred from the former State of Bombay to the new State of Mysore;
- (g) “Mysore Corporation” means the Mysore State Khadi and Village Industries Board constituted under the Mysore Khadi and Village Industries Act, 1956 (Mysore Act VII of 1957); and
- (h) “Rajasthan Board” means the Rajasthan Khadi and Village Industries Board constituted under the Rajasthan Khadi and Village Industries Board Act, 1955 (Rajasthan Act No. 5 of 1955).

3. **Exclusion of certain areas from the operation of the existing Corporation.**—As from the appointed day, the existing Corporation shall cease to function and operate in the Karnatak area and the Abu area and shall be deemed to have been constituted for the Bombay area.

4. Transfer of assets and apportionment of Fund of existing Corporation.—

(1) Subject to the other provisions of this Order, all land and all machinery, stores, articles and other goods belonging to the existing Corporation shall, as from the appointed day,—

- (a) if situated within the Karnatak area, pass to the Mysore Corporation;
- (b) if situated within the Abu area, pass to the Rajasthan Board; and
- (c) in any other case, continue to vest in the existing Corporation.

Explanation.—In this sub-paragraph, the expression “land” includes immovable property of every kind and any rights in or over such property.

(2) The balance standing to the credit of the Fund of the existing Corporation on the appointed day, shall be apportioned amongst the existing Corporation, the Mysore Corporation and the Rajasthan Board in such proportion as may be agreed upon by the State Governments of Bombay, Mysore and Rajasthan, or failing such agreement, in such proportion as may be decided by the Central Government.

5. **Contracts.**—Where, before the appointed day, the existing Corporation has made any contract, the contract shall be deemed to have been made—

- (a) if the purposes of the contract are, as from the appointed day, exclusively relatable to the Karnatak area, by the Mysore Corporation;
- (b) if the purposes of the contract are, as from that day, exclusively relatable to the Abu area, by the Rajasthan Board; and
- (c) in any other case, by the existing Corporation; and

all rights and liabilities which have accrued, or may accrue, under any such contract shall, to the extent to which they would have been rights or liabilities of the existing Corporation, be rights or liabilities of the Mysore Corporation or the Rajasthan Board or the existing Corporation, as the case may be.

6. **Transfer of liabilities of the existing Corporation.**—The liability of the existing Corporation in respect of the loans received by it under section 20 of the Act, shall be apportioned amongst the Mysore Corporation, the Rajasthan Board and the existing Corporation in the same proportion in which expenditure on account of schemes for which loans were obtained by the existing Corporation has, before the appointed day, been made out of the said loans in the Karnatak area, the Abu area and the Bombay area. The liability of the Mysore Corporation so apportioned shall be a debt due to the Government of Mysore.

7. **Residuary provision.**—The benefit or burden of any assets or liabilities of the existing Corporation not dealt with in the foregoing provisions shall—

- (a) if the assets are situate, or the liability arises, in the Karnatak area, pass to the Mysore Corporation;
- (b) if the assets are situate, or the liability arises, in the Abu area, pass to the Rajasthan Board; and
- (c) in any other case, continue to be the benefit or burden of the existing Corporation:

Provided that the initial allocation of the benefit or burden under this paragraph shall be subject to such financial adjustment as may be agreed upon between the existing Corporation, the Mysore Corporation and the Rajasthan Board or, in default of such agreement, as the Central Government may direct.

8. **Apportionment of expenditure of the existing Corporation from 1st November, 1956 to the appointed day.**—The expenditure incurred by the existing Corporation during the period between the 1st day of November, 1956 and the appointed day, in respect of activities conducted by it in the Karnatak or the Abu area, shall be reimbursed to it by the Mysore Corporation or the Rajasthan Board, as the case may be.

9. **Legal Proceedings.**—Where immediately before the appointed day, the existing Corporation is a party to any legal proceedings with respect to any property, rights or liabilities transferred to the Mysore Corporation or the Rajasthan Board under this Order, the Mysore Corporation or the Rajasthan Board, as the case may be, shall be deemed to be substituted for the existing Corporation as a party to the proceedings, or added as a party thereto, as the case may be, and the proceedings continued accordingly.

10. **Provisions relating to the employees of the existing Corporation.**—(1) Every employee of the existing Corporation who, immediately before the appointed day, is serving in the Karnatak area or the Abu area, shall, as from the appointed day, be deemed to have been allotted to serve in connection with the affairs of the Mysore Corporation or the Rajasthan Board, as the case may be.

(2) Nothing in this paragraph shall be deemed to affect the right of the Mysore Corporation or the Rajasthan Board to determine after the appointed day, the conditions of service of persons allotted to it under sub-paragraph (1):

Provided that the conditions of service applicable immediately before the appointed day to any such person shall not be varied to his disadvantage except with the previous approval of the Central Government.

11. **Adaptations and Modifications in the Act.**—As from the appointed day, the Act shall, until altered, repealed or amended by the competent Legislature of the State, have effect subject to the modifications specified in the Schedule hereto annexed.

THE SCHEDULE

(See Paragraph 11)

The Bombay Village Industries Act, 1954

(Bombay Act XLI of 1954)

Section 1—For sub-sections (2) and (3) of section 1, the following sub-section shall be substituted, namely:—

“(2) It extends to the territories which, immediately before the 1st November, 1956, were comprised in the State of Bombay, excluding the territories transferred to the new States of Mysore and Rajasthan under sections 7 and 10 of the States Reorganisation Act, 1956 (37 of 1956).”

Section 2—In clause (4) of section 2, for the words “the State of Bombay”, the words “that part of the State of Bombay to which this Act extends” shall be substituted.

Section 12—In clause (ii) of section 12, after the words “any area in the State”, the words “to which this Act extends” shall be inserted.

[No. 8/22/58-SR(R)-3.]

P. N. KAUL, Under Secy.

